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Subject: Allocution - Draft edits
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COUNT ONE AND COUNT THREE CONSPIRACY AND SECURITIES FRAUD ALL COUNTS

Between 2014 and 2016, I was employed at Premium Point Investments, or PPI, as the portfolio manager for the mortgage credit hedge fund. Premium Point Investments or PPI was an investment adviser located in Manhattan. During that time, I was the portfolio manager for the mortgage credit fund, a hedge fund that invested in, among other things, residential mortgage backed securities. Among my roles as the portfolio manager was overseeing the work of a number of traders. Each month the traders participated in the process of obtaining marks from third-party brokers for the purpose of determining the value of the securities in the hedge fund. Each trader under my supervision selected brokers to provide prices or marks for the securities they were responsible for trading. PPI's administrative division communicated requests for marks to the selected brokers. When the marks came in they were then used to calculate the hedge fund's net asset value each month. The month-end net asset value of the funds that PPI managed was an important measure of the hedge fund's performance and was disseminated to investors and potential investors through the mail and interstate wire communications. The funds' net asset value and their performance also determined PPI's management and performance fees.

Between 2014 and 2016, At the direction of Neil Ahuja, CEO of PPI, I participated in a scheme with, among others, Neil Ahuja, CEO of PPI, and Jeremy Shor, a trader at PPI, to fraudulently inflate the month-end net asset value of the funds that hedge PPI managed, fund to encourage new investment and discourage investors from redeeming their investments in PPI. This scheme

~~accelerated in the second half of 2015, as the hedge fund's performance was deteriorating.~~
~~Specifically, I communicated to the traders under my supervision monthly performance targets~~
~~set by Mr. Ahuja and I then pressured them to meet those targets.~~ Instead of marking the
independent third party valuation of the securities in the PPI's portfolios at their fair market
value, I worked with Ahuja, Shor, and others to mismark their value. ~~determining the net asset~~
~~value, I agreed with Mr. Ahuja and others to let the performance target he set affect the value of~~
~~the securities reported by PPI.~~ I knew that the resulting monthly net asset value was inflated for
the purpose of deceiving investors as to the ~~hedge fund's~~ performance. -As part of this scheme,
I used interstate emails and text messages. I knew what I was doing was wrong.

Naftalis, Joshua (USANYJS)
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~~COUNT TWO AND FOUR CONSPIRACY AND WIRE FRAUD~~

~~Between 2014 and 2016, I participated in a scheme to defraud investors in the mortgage credit fund of PPI by inflating the month-end net asset value of the fund through the means I previously described. In pressuring traders under my supervision to meet the performance targets set by Mr. Ahuja, I often communicated with them by text message and email. I knew that the inflated net asset value was communicated to investors in an effort to encourage them to invest in the hedge fund or to discourage them from redeeming their investments.~~

Naftalis, Joshua (USANY5)

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